

Committee on Resources

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I am testifying on behalf of forest landowners on the Delmarva Peninsula. I am a forest landowner and manager of timber land in Maryland. Professionally I am an aquatic ecologist with 30 years in the Chesapeake and Delaware Bays region. Additionally, I have been a town commissioner in Queenstown, Maryland for 12 years and am a member of the Board of Governors of the Maryland Forests Association.

I am an owner and manager of 5,000 acres of timber land located in Worcester County, Maryland which we manage to provide an annual sustainable yield. Our long term interest is to manage the property as working timber lands under a sustainable stewardship plan. Consequently, we are closely involved with our regional forest industry and are concerned about the long-term viability and profitability of the industry on the Delmarva Peninsula.

Forest landowner concerns

After speaking with numerous working forest landowners during preparation for this testimony, there were three recurring concerns:

1. maintain working forests,
2. create incentives for forest landowners not to sell or develop lands,
3. maintain a healthy forest industry infrastructure.

The need to maintain a critical mass of working forest lands is imperative to the survival of a timber industry on the Delmarva Peninsula. Conversely, a health industry is also necessary for the continuance of undeveloped, contiguous forests which are so valuable not only to the viability of the timber industry, but to the health and viability of our Chesapeake and Delaware Bays. After recent changes with forest land ownership on Delmarva, we are concerned about the continuance of a critical mass of working forests to maintain an a viable infrastructure to support a profitable industry. Recently the State of Maryland acquired 58,000 acres of working forest lands. While a large portion of these lands are still being managed for timber harvest under contractual obligation, there is no assurance that such management will continue after the contact expires. The loss of this quantity of working forests from the Delmarva Peninsula will have a significant impact upon the supporting infrastructure and profitability of the privately held forests.

Incentives are needed to assist and entice forest landowners to maintain lands as working forests and not give in to the pressure to develop. A recent appraisal of our holdings found that more than 50% of our lands value is in the development potential. While we do pursue sources of income other than the sale of timber, the enquiries from development interests are increasing every year. As a family tree farm, we do have family interests that question whether our return on capital value could not be improved by selling or developing. Incentives are essentially a 'thank you' to landowners for maintaining their forests. Maryland offers a lower land assessment values on property tax calculations, Delaware does not tax managed forests, and Virginia offers a riparian forest buffer protection tax credit on trees left in buffers. Such incentives are a help, though additional help is needed to keep the wolves at bay.

The third concern of working forest landowners is to maintain a viable, competitive markets and forest infrastructure for our products at time of harvest. Our markets are being influenced by international trade more than ever. We see the impact of Canadian lumber imports in prices being offered for our timber. Our pulp has to compete against chips being produced by countries which benefit from low labor costs, few or no environmental regulations and government incentives. Our forest infrastructure, the network of foresters, loggers, buyers, and mills, is all dependent upon having a critical base of working forests from which to acquire product. With any reduction in this base, parts of the infrastructure will disappear.

Thus it is necessary to maintain our working forests for their contribution to the local and national economy, to assure a home grown supply for our lumber and pulp supplies, and to prevent the division and

development of our forest lands to help maintain water quality and bio-diversity within the Delmarva Peninsula.

Delmarva Conservation Corridor Program

The Delmarva Conservation Corridor Program has the potential to have a significant impact upon the maintenance of forests of the Delmarva Peninsula. Primarily the program helps focus attention to the need to maintain forest and agriculture land bases on the peninsula as a whole and not just three separate states. Additionally, the program coordinates the many diverse programs already in place to assist in the maintenance and continuity of forest and agriculture activities on the peninsula. On the negative side, as a forest landowner, I do not see the emphasis or inclusion of forests as a working entity to the level to which agriculture is discussed. The June 2003 DCC Demonstration Program included forests in the Natural Resources discussions.

The Maryland plan has identified three Forest Legacy Areas on Maryland's Eastern Shore and has requested \$1 million annually for the acquisition of easements. The three areas are relatively small and widely separated. Maryland's Rural Legacy Program, while primarily targeting agricultural lands, does acknowledge and include forested or 'natural resources lands' in its easement acquisitions. The acquisition of easements is an excellent means of maintaining desired land uses on specific lands and the critical masses needed to support the forest and agricultural infrastructures of the peninsula. The guarantee of right to practice forestry or silviculture on forested lands of Delmarva and the states as a whole would greatly assist landowners in the maintenance of forestry activities in the developing areas of the peninsula.

Additionally, Maryland had requested \$120,000 for two foresters to increase assistance to forest landowners. Considering the recent reductions of staff by the Maryland Forest Service, two additional foresters may not be sufficient to provide the additional services proposed in the DCCP.

I thank the committee for this opportunity to address the Delmarva Conservation Corridor Program and to present some of the concerns of the Delmarva forest industry.